

Pennsylvania Mountains Healthcare Resource Development (PMHRD) Quarterly Data Report for FCC Project

- 1) Project Contact and Coordination Information
 - a) Identify the project leader(s) and respective business affiliations.
 - b) Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.
 - c) Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.
 - d) Explain how project is being coordinated throughout the state or region.

Project Contact and Coordination Information

Pennsylvania Mountains Healthcare Resource Development (PMHRD) is a non -profit organization created by the same hospitals of PMHA for purpose of acquiring and administering grants for the hospitals. PMHRD is now the controlling organization on the project. Coordination is being made regionally with each of the adjoining project awardees through periodic telephone and email communications.

Project Coordinator:

Name: Charles E. Giffin

Title: Project Coordinator

Affiliation: Pennsylvania Mountains Healthcare
Resource Development (PMHRD)

Mailing Address: 150 McCracken Run Road,
DuBois, PA 15801

E-mail Address: cgiffin@pmhalliance.org

Telephone Number: (814) 372-4909

Associate Project Coordinator:

Name: Gregory W. Snyder

Title: VP of Technology

Affiliation: Pennsylvania Mountains Healthcare
Alliance

Mailing Address: 150 McCracken Run Road,
DuBois, PA 15801

E-mail Address: gsnyder@pmhalliance.org

Telephone Number: (814) 592-9950

Delineation of Responsibilities: Day-to-Day
Project Management

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- 2) Identify all health care facilities included in the network.
- Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network.
 - For each participating institution, indicate whether it is:
 - Public or non-public;
 - Not-for-profit or for-profit;
 - An eligible health care provider or ineligible health-care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.

Identify all health care facilities included in the network

Pennsylvania Mountains Healthcare Alliance (PMHA) /

Pennsylvania Mountains Healthcare Resource Development (PMHRD) participating facilities:

Name and Address	County	Public / Private	Not For Profit?	Zipcode	RUCA Code	Phone Number
Armstrong County Memorial Hospital One Nolte Drive Kittanning, PA PA Dept Of Health # 270901	Armstrong	Public	Yes	16201	4.2	724.543.8500
Bradford Regional Medical Center 116 Interstate Parkway Bradford, PA PA Dept of Health # 541201	McKean	Public	Yes	16701	4	814.368.4143
Brookville Hospital 100 Hospital Road Brookville, PA PA Dept of Health # 28050101	Jefferson	Public	Yes	15825	7	814.849.2312
Charles Cole Memorial Hospital 1001 E. Second Street, U.S. Route 6 East, Coudersport, PA PA Dept of Health # 031801	Potter	Public	Yes	16915	10	814.274.9300
Clarion Hospital One Hospital Drive Clarion, PA PA Dept of Health # 297801	Clarion	Public	Yes	16214	4	814.226.9500
Clearfield Hospital 809 Turnpike Avenue Clearfield, PA PA Dept of Health # 291301	Clearfield	Public	Yes	16830	4	814.765.5341
Elk Regional Health System 763 Johnsonburg Road	Elk	Public	Yes	15857	4	814.788.8000

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St. Marys, PA PA Dept of Health # 010901						
Indiana Regional Medical Center 835 Hospital Road Indiana, Pennsylvania PA Dept of Health # 090701	Indiana	Public	Yes	15701	4	724.357.7000
Kane Community Hospital 4372 Route 6 Kane, PA PA Dept of Health #550501 DROPPED OUT BEFORE PROJECT START	McKean	Public	Yes	16735	4	814.837.8585
Laurel Health System 22 Walnut Street Wellsboro, PA PA Dept of Health # 195301	Tioga	Public	Yes	16901	8	570.723.0500
Mount Nittany Medical Center 1800 East Park Avenue, State College, PA PA Dept of Health # 550301	Centre	Public	Yes	16803	4	814.231.7000
Nason Hospital 105 Nason Drive Roaring Spring, PA PA Dept of Health # 141101	Blair	Public	Yes	16673	2	814.224.2141
Punxsutawney Area Hospital 81 Hillcrest Drive Punxsutawney, PA PA Dept of Health # 163701	Jefferson	Public	Yes	15767	7	814.938.1800
Titusville Area Hospital 406 W. Oak Street Titusville, PA PA Dept of Health #200901	Crawford	Public	Yes	16354	7	814.827.1851
Windber Medical Center 600 Somerset Avenue, Windber PA PA Dept of Health # 234901	Somerset	Public	Yes	15963	4	814.467.3000
Pennsylvania Mountains Healthcare Resource Development 150 McCracken Run Road DuBois, PA	Clearfield	Public	Yes	15801	4	814.372.2355

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Tyrone Hospital 187 Hospital Drive Tyrone, PA	Blair	Public	Yes	16686	2	(814) 684-1255
JC Blair Memorial Hospital 1225 Warm Springs Avenue Huntingdon, PA	Huntingdon	Public	Yes	16652	4	(814) 643-2290
Fulton County Medical Center 214 Peach Orchard Road McConnellsburg, PA	Fulton	Public	Yes	17233	10	(717) 485-3155
Memorial Hospital – Towanda One Hospital Drive Towanda, PA	Bradford	Public	Yes	18848	10.6	570-265-2191
Jersey Shore Hospital 1020 Thompson Street, Jersey Shore, PA	Lycoming	Public	Yes	17740	4.2	570-398-0100
Lewistown Hospital 400 Highland Avenue Lewistown, PA	Mifflin	Public	Yes	17044	4	717 248-5411
Tiadaghton Health Services 529 Suite 2 High Street Lock Haven, PA	Clinton	Public	Yes	17745	4.2	570-398-0100
Jersey Shore Hospital Urgent Care at McElhatten 560 McElhatten Dr. McElhatten, PA	Clinton	Public	Yes	17748	4.2	570-398-0100
Jersey Shore Medical Associates 104 East Central Avenue Avis, PA	Clinton	Public	Yes	17721	4.2	570-398-0100
Health Services of Clarion Semeyn Family Practice-Brookville 367 Route 28 N Brookville, PA	Jefferson	Public	Yes	15825	7	814.226.9500
Health Services of Clarion AC Valley Medical Center 855 Route 58 Suite 1 Parker, PA	Clarion	Public	Yes	16049	6	814.226.9500
Health Services of Clarion Semeyn Family Practice-Fairmount City 82 Town Run Road Fairmount City, PA	Clarion	Public	Yes	16224	10.6	814.226.9500

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Health Services of Clarion Marianne Family Practice 21159 Paint Blvd; Suite 2 Clarion, PA	Clarion	Public	Yes	16214	7	814.226.9500
Health Services of Clarion Rimersburg Medical Center 57 E Broad Street; Suite 2 Rimersburg, PA	Clarion	Public	Yes	16248	10.6	814.226.9500
Health Services of Clarion Women's Health Care of Clarion 1008 South 5 th Street Clarion, PA	Clarion	Public	Yes	16214	7	814.226.9500
Health Services of Clarion Surgical Associates 116 Central Ave Oil City, PA	Venango	Public	Yes	16301	4	814.226.9500

- 3) Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with its vendors. This technical description should provide, where applicable:
- Brief description of the backbone network of the dedicated health care network, e.g., MPLS network, carrier-provided VPN, a SONET ring;
 - Explanation of how health care provider sites will connect to (or access) the network, including the access technologies/services and transmission speeds;
 - Explanation of how and where the network will connect to a national backbone such as NLR or Internet2;
 - Number of miles of fiber construction, and whether the fiber is buried or aerial;
 - Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.

Network narrative

The network will be a carrier provided Ethernet (carried over MPLS) connection providing both public (Internet) and private (WAN) terminations.

Public Internet connections will be through a POP in Pittsburgh, PA and Philadelphia, PA.

Additionally, we have received approval from the FCC to merge with the Juniata Valley Network (JVN) RHCPP project. PMHRD will take over the project as fiduciary agent and serve as the project management office. The formal request was approved on 8/12/09. At this time we are evaluating the scope of the project, developing additional RFPs. Currently, we have submitted four RFP's and received responses on each. At this time we are in final vendor negotiations, contracts have been signed and the deployments have been completed on 3 of 4. The 4th is currently under consideration and soon to be awarded.

- 4) List of Connected Health Care Providers: Provide information below for all eligible and noneligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.
- Health care provider site;
 - Eligible provider (Yes/No);
 - Type of network connection (e.g., fiber, copper, wireless);
 - How connection is provided (e.g., carrier-provided service; self-constructed; leased facility);
 - Service and/or speed of connection (e.g., DS1, DS3, DSL, OC3, Metro Ethernet (10 Mbps);
 - Gateway to NLR, Internet2, or the Public Internet (Yes/No);
 - Site Equipment (e.g., router, switch, SONET ADM, WDM), including manufacturer name and model number.
 - Provide a logical diagram or map of the network.

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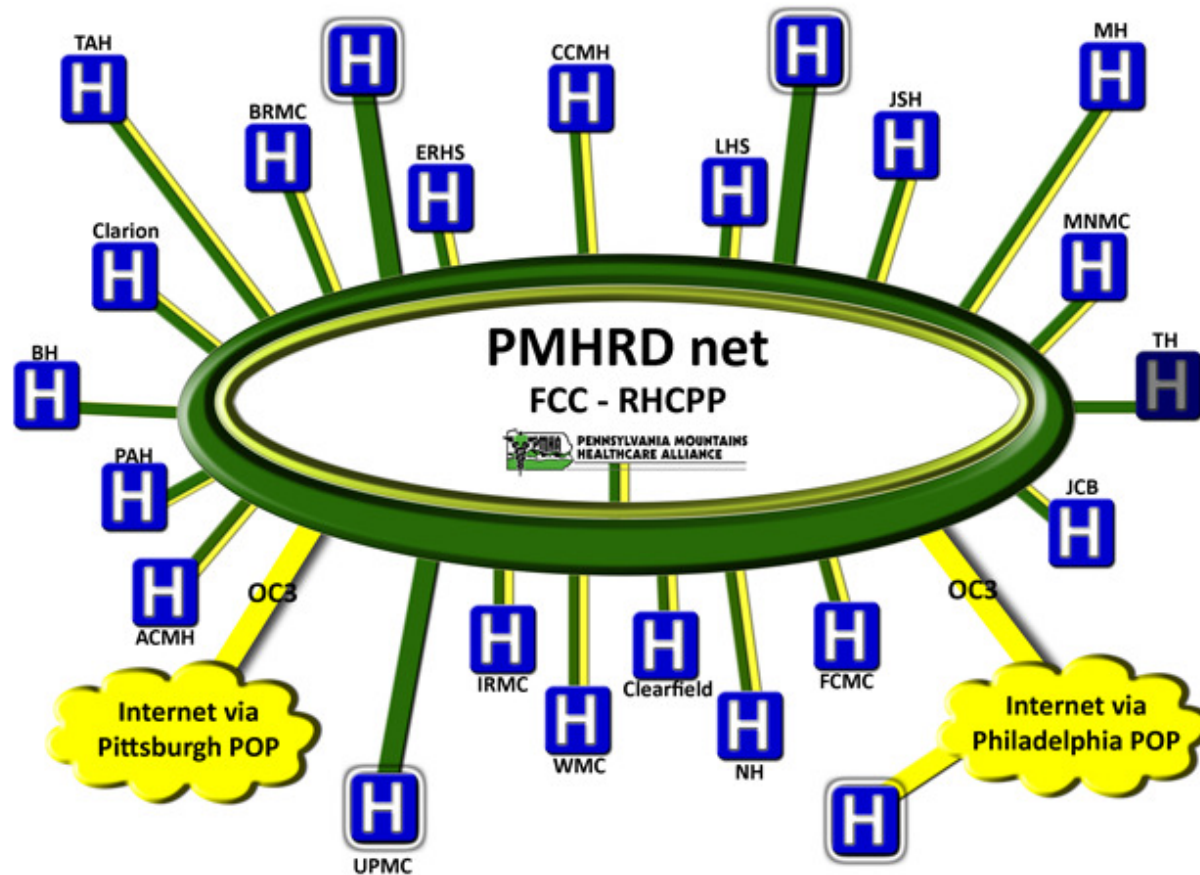
a) Site	b) Eligible Provider? (Yes/No)	c) Type of Network Connection	d) How Connection is Provided	e) Speed	f) Gateway to ?	g) Equipment
Armstrong County Memorial Hospital PA Dept Of Health # 270901	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Bradford Regional Medical Center PA Dept of Health # 541201	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Brookville Hospital PA Dept of Health # 28050101	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Charles Cole Memorial Hospital PA Dept of Health # 031801	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Clarion Hospital PA Dept of Health # 297801	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Clearfield Hospital PA Dept of Health # 291301	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Elk Regional Health System PA Dept of Health # 010901	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Indiana Regional Medical Center PA Dept of Health # 090701	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Kane Community Hospital PA Dept of Health #550501	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Laurel Health System PA Dept of Health # 195301	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Mount Nittany Medical Center PA Dept of Health # 550301	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Nason Hospital PA Dept of Health # 141101	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Punxsutawney Area Hospital PA Dept of Health # 163701	Yes	Wireless Microwave PTP	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Titusville Area Hospital PA Dept of Health #200901	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Windber Medical Center PA Dept of Health # 234901	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Pennsylvania Mountains Healthcare Resource Development	No	Fiber	Carrier Based Service	10 Mbps	Public Internet 10 Mbps	TBD
Tyrone Hospital	Yes	Fiber	Carrier Based	100	Public Internet 10	TBD

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			Service	Mbps	Mbps	
JC Blair Memorial Hospital	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Fulton County Medical Center	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Memorial Hospital – Towanda	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Jersey Shore Hospital	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Lewistown Hospital	Yes	Fiber	Carrier Based Service	100 Mbps	Public Internet 10 Mbps	TBD
Tiadaghton Health Services	Yes	ON HOLD	ON HOLD	TBD	ON HOLD	ON HOLD
Jersey Shore Hospital Urgent Care at McElhatten	Yes	ON HOLD	ON HOLD	TBD	ON HOLD	ON HOLD
Jersey Shore Medical Associates	Yes	ON HOLD	ON HOLD	TBD	ON HOLD	ON HOLD
Health Services of Clarion Semeyn Family Practice-Brookville	Yes	Fiber	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion AC Valley Medical Center	Yes	Microwave	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion Semeyn Family Practice-Fairmount City	Yes	Fiber	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion Marianne Family Practice	Yes	Fiber	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion Rimersburg Medical Center	Yes	Fiber	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion Women's Health Care of Clarion	Yes	Fiber	Carrier Based Service	100 Mbps	Private Access to Clarion Hospital	TBD
Health Services of Clarion Surgical Associates	Yes	Microwave	Carrier Based Service	10 Mbps	Private Access to Clarion Hospital	TBD

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PMHRD Network Logical Diagram (10/31/2011) – The final “grayed out hospital” was connected in July of year. Yellow paths indicated traditional Internet connections and the green paths indicate private WAN connectivity. At this time, Internet 2 access is possible but not yet determined to be necessary.

Functionally, the network is much more like a series of interconnected rings. Sting Communications has a very robust infrastructure providing a high level of redundancy (from POP to POP). Some facilities have extensive laterals to the nearest POP which have been found to be somewhat problematic. Solutions to this are being evaluated.

- 5) Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to-date.
 - a) Network Design
 - b) Network Equipment, including engineering and installation
 - c) Infrastructure Deployment/Outside Plant
 - i) Engineering
 - ii) Construction
 - d) Internet2, NLR, or Public Internet Connection
 - e) Leased Facilities or Tariffed Services
 - f) Network Management, Maintenance, and Operation Costs (not captured elsewhere)

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Other Non-Recurring and Recurring Costs Cost Category:	Budget:	Quarter Total Incurred:	YTD Total Incurred:	Funding Source:
Network Design	30K	0	27K	PMHA / PMHRD
Network Equipment	\$540K	20	\$560	3 rd Party Grant to PMHRD
Engineering & Construction	\$366K	0	\$366K	3 rd Party Grant to PMHRD
Public Internet Connection	0	0	0	Included Below in Operational Costs
Network Management, Maintenance, Operational	\$505K	0	0	\$373K RHCPP & \$132K Hospitals
Other	0	0	0	

6) Describe how costs have been apportioned and the sources of the funds to pay them:

- a) Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.
- b) Describe the source of funds from:
 - i) Eligible Pilot Program network participants
 - ii) Ineligible Pilot Program network participants
- c) Show contributions from all other sources (e.g., local, state, and federal sources, and other grants).
 - i) Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.
 - ii) Identify the respective amounts and remaining time for such assistance.
- d) Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.

- PMHRD has received a grant from a 3rd party (Highmark) for a total of \$1,000K to support the implementation of this health care network. These funds will pay for build out, firewall and other startup costs.
- There is only one ineligible organization identified that will be connecting to the network. That organization is PMHRD / PMHA headquarters. Since PMHRD and PMHA obtain 100% of their operating costs from the participating hospitals, the cost of this connection will be divided between the participating hospitals and paid to PMHRD on a monthly basis in addition to their monthly assessment (min 15%) for participation in the network.
- PMHRD will be responsible for collecting the monthly assessments from the hospitals and also responsible for making the payment to the vendor providing the network services.
- Ineligible entities interested in joining the network will be required to pay their fair share (full network cost plus a network operation & connection fee) to PMHRD. These charges will simply be an actual cost pass through. No profits are intended to be made for their connections.
-

7) Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.

None identified to date.

8) Provide an update on the project management plan, detailing:

- a) The project's current leadership and management structure and any changes to the management structure since the last data report; and
- b) In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables, scheduled for the previous quarter, were met, and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation. Non-recurring costs are flat charges incurred only once when

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acquiring a particular service or facility. Recurring costs are costs that recur, typically on a monthly basis, because they vary with respect to usage or length of service contract.

Phase 1, 2, and 3 projects have been completed. The selected vendor on each of the phases was Sting Communications. Phase 1 implementation was completed in January 1, 2010. Phase 2 and 3 were completed in July of 2011. Phase 4 (RFP 04) is under review at this time and should be awarded before the end of the year.

In order to ease project management and coordination of activities, the hospitals have been separated into implementation groups. Group 1-A was connected in April 2009 and Group 1-B was connected in July 2009. Group 1-C is now scheduled for a September 2009 startup. With all Group 1 sites live, the next group will be designated Group 2.

Site	Planned Service Completion	Fire Wall Installation	Network Connection Complete	Group	Comment or Explanation
Armstrong County Memorial Hospital PA Dept Of Health # 270901	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Bradford Regional Medical Center PA Dept of Health # 541201	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Brookville Hospital PA Dept of Health # 28050101	Dec 09 – Complete	NA	Dec. 09 - Complete	1-C	Complete
Charles Cole Memorial Hospital PA Dept of Health # 031801	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Clarion Hospital PA Dept of Health # 297801	July 09 – Complete	August 09 - Complete	August 09 - Complete	1-B	Complete
Clearfield Hospital PA Dept of Health # 291301	October 09 – Complete	October 09 - Complete	Nov 09 - Complete	1-C	Complete
Elk Regional Health System PA Dept of Health # 010901	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Indiana Regional Medical Center PA Dept of Health # 090701	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Laurel Health System PA Dept of Health # 195301	October 09 – Complete	Nov 09 - Complete	Nov 09 - Complete	1-C	Complete
Mount Nittany Medical Center PA Dept of Health # 550301	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete
Nason Hospital PA Dept of Health # 141101	July 09 – Complete	August 09 - Complete	August 09 – Complete	1-B	Complete
Punxsutawney Area Hospital PA Dept of Health # 163701	April 09 - Complete	April 09 - Complete	April 09 - Complete	1-A	Complete

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Titusville Area Hospital PA Dept of Health #200901	July 09 – Complete	August 09 - Complete	August 09 - Complete	1-B	Complete
Windber Medical Center PA Dept of Health # 234901	October 09 – Complete	October 09 - Complete	October 09 - Complete	1-C	Complete
Pennsylvania Mountains Healthcare Resource Dev.	Sept 09 – Complete	October 09 – Complete	October 09 - Complete	1-B	Complete
Tyrone Hospital	May2011 -- COMPLETE	June 2011- COMPLETE	June 2011 - COMPLETE	3	Complete
JC Blair Memorial Hospital	Apr 2011 – COMPLETE	May 2011 - COMPLETE	June 2011 - COMPLETE	3	Complete
Fulton County Medical Center	Apr 2011 – COMPLETE	Apr 2011 COMPLETE	Apr 2011 - COMPLETE	3	Complete
Memorial Hospital – Towanda	Apr 2011 – COMPLETE	Apr 2011 COMPLETE	June 2011 - COMPLETE	3	Complete
Jersey Shore Hospital	Apr 2011 – COMPLETE	May 2011 - COMPLETE	June 2011 - COMPLETE	3	Complete
Lewistown Hospital	Apr 2011 – COMPLETE	Apr 2011 COMPLETE	June 2011 - COMPLETE	2	Complete
Tiadaghton Health Services	On Hold	On Hold	On Hold	4	On Hold
Jersey Shore Hospital Urgent Care at McElhatten	On Hold	On Hold	On Hold	4	On Hold
Jersey Shore Medical Associates	On Hold	On Hold	On Hold	4	On Hold
Health Services of Clarion Semeyn Family Practice- Brookville	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion AC Valley Medical Center	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion Semeyn Family Practice–Fairmount City	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion Marianne Family Practice	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion Rimersburg Medical Center	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion Women's Health Care of Clarion	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process
Health Services of Clarion Surgical Associates	May 2012	Jun 2012	July 2012	4	Contract Finalization In Process

9) Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.

The PMHRD sustainability plan has been approved and is included here (less appendix B)

PMHRD Network Sustainability

Background:

Pennsylvania Mountains Healthcare Resource Development (PMHRD) is a fast growing group of 19 hospitals in central and western Pennsylvania. Each of these hospitals is a small, rural and independent healthcare provider. Each is usually the sole hospital in its county. Typically, access time to a hospital's emergency room in this region ranges from 15 minutes to in many cases more than an hour.

There are many challenges in keeping these hospitals open. From a financial status, most of these hospitals have an operating margin of less than 4% meaning that at the end of a year, they only have less than 4% more capital than when they started the year. These funds are typically used for strategic investment into the hospital's need for facility maintenance, technology or other necessary operational improvements. Sadly, this is never close to enough, to meet even the most basic needs and corners are constantly being cut to keep the doors open.

The Federal Communications Commission's (FCC's) Rural Health Care Pilot Program (RHCPP) and Highmark's (the local Blue insurance company) have invested into the future of hospitals by substantially funding the PMHRD Shared Services Network. The RHCPP has indicated that \$1,180,004 in service cost reductions will be available over three years and Highmark has given \$1M toward the build out costs and network hardware necessary to connect and secure the system. This network will allow the hospitals to maintain their autonomy but now partner in their strategic investments sharing the risk and the burden of these efforts. Additionally, the Juniata Valley Network (JVN) project was merged with the PMHA project in 2009 transferring \$3,310,048 in RHCPP funds to the PMHRD project.

Currently there is no connectivity between the hospitals. Each has their own independent Internet connection. None (to our knowledge) are currently utilizing Universal Service Funds (USF) for support of their Internet connections. The new network will be managed and administered by the PMHRD organization with the assistance of the selected network services provider.

Budget and Payments:

The plan is to lease service only those circuits needed for the network on a monthly basis from a single regional network service provider. PMHRD hospitals will pay the 15% matching funds directly to PMHRD who will pay the selected network provider (Sting Communications). The Implementation Group 1 Hospitals have already started to make these payments. Group 2 hospitals will begin payments in July 2009. Monthly costs will be \$2,835/month. The hospitals will pay on average \$425. The balance, \$2,410/month will be requested from the USAC during the 3 year project.

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Projected 10 Year Budget

	Income				Expense	
Fiscal Year	Highmark Grant Funds (Income)	Hospital Payments to PMHRD	RHCPP Funds	Reg. USF Program Support*	Total Network Service Costs	Buildout, Firewalls & Hardware
2008	\$ 544,800	\$ 8,930	\$ 50,605	\$ -	\$ 59,535	\$ 544,800
2009	\$ 455,200	\$ 66,764	\$ 378,331	\$ -	\$ 445,095	\$ 455,200
2010		\$ 117,180	\$ 664,020	\$ -	\$ 781,200	
2011		\$ 143,883	\$ 815,337	\$ -	\$ 959,220	
2012		\$ 143,883	\$ 815,337	\$ -	\$ 959,220	
2013		\$ 143,883	\$ 815,337	\$ -	\$ 959,220	
2014		\$ 143,883	\$ 815,337	\$ -	\$ 959,220	
2015		\$ 143,883	\$ 815,337	\$ -	\$ 959,220	
2016		\$ 479,430	\$ -	\$ 479,430	\$ 959,220	
2017		\$ 479,430	\$ -	\$ 479,430	\$ 959,220	
2018		\$ 479,430	\$ -	\$ 479,430	\$ 959,220	
TOTAL	\$1,000,000	\$2,350,579	\$5,169,641	\$1,438,290	\$8,959,590	\$1,000,000

*PMHRD will request support through the regular USAC RHC funding for all qualifying entities, as well as apply for other state grants and federal grants. At this time we are only building the regular USAC program dollars into our funding projections. Our estimates are based on an urban/rural difference in service cost of \$1405/hospital as provided by our current service provider. Appendix A details the anticipated monthly cost **during** the pilot program and **after** the pilot program. Appendix B provides total annual budget breakdown detail for reconciliation with the totals above.

Participant Commitment and Sustainability:

We have obtained signed letters of intent from each of the participating hospitals and PMHA indicating that they will fund the costs of the network operations beyond the RHCPP for at least 10 years. Appendix C details these participants. Participants are investing in additional consulting services to further evaluate and prioritize the initiatives listed below and others under consideration. The PMHA / PMHRD hospitals have been partnering on a variety of projects since 1995 and it is fully expected that this relationship and the mutual support of projects will continue long into the future.

The goal then is to achieve direct, measureable savings to each participating hospital greater than the monthly service cost of \$1,430/month (after the expected USAC program support of \$1,405/month) in order to justify the continuance of the service. The following table defines our planned project list and preliminary net savings for each effort:

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<u>Project Area</u>	<u>Implementation Date</u>	<u>Net Savings / Hospital / Month</u>
-Centralized Internet / Network Purchasing	1Q - 2009	\$1000
-Tele Radiology Reading	2Q – 2013	\$3,500
-Tele Radiology PACS Storage	2Q – 2013	\$2,250
-Hardware Virtualization	3Q – 2013	\$10,000 (1)
-Revenue Cycle Centralization	3Q - 2011	\$2,000 (2)
-GPO / Purchasing Aggregation	Enhancements 4Q -2013	\$10,000 (3)
-General Tele Medicine Initiatives	Various	Not intended to be “cost savings driven”, but some will be. The goal here will be service enhancement to the community.
TOTAL:		\$27,750

- (1) Initial estimates indicate that this could save each participating as much as hospital \$20,000 /month
- (2) The project is currently underway and could be implemented without the private WAN that will be available after the implementation. Savings here indicates the incremental savings of caring the traffic through a secure/private WAN vs. through the Internet via VPN.
- (3) Initial estimates indicate that this could save each participating as much as hospital \$30,000 /month. This has been discounted to indicate the portion derived exclusively by the utilization of a central data warehouse for storing purchasing information.

These projections clearly indicate that there is a potential economic benefit of more than 100 times the cost of operating cost on a monthly basis. There isn't a single hospital in the group that will not keep the network ongoing, if they are participating in the initiatives and deriving benefit. Based on interviews with the CEOs, the hospitals are so desperate for enhanced operations and cash flow that they consider this activity as a “no-brainer”; meaning that this combined effort of the FCC, Highmark, PMHA and PMHRD it is exceptionally favorable for them to pursue and maintain.

Additionally, PMHRD will continue to centrally manage the USAC support process assuring completion of the appropriate paper work to maximize the hospital support while minimizing the effort on the hospitals part. Joint contract negotiations by PMHRD will further lead to lowest possible cost for ongoing network operations. PMHRD invoices and collects monthly fees from each of the participants based upon their service requirements. Monthly, PMHRD will pay invoices from the provider on behalf of the members.

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Other Risks / Considerations:

The only risk here is that participation in PMHA / PMHRD initiatives are strictly voluntary. We cannot say with 100% certainty that all hospitals will participate in any given project. Based on past initiatives, about 70% of the hospitals participate on any given PMHA / PMHRD project. Using this historical performance level, it is reasonable to anticipate that a single hospital, worst case, could save as low as \$5,250/month (if they only participate in the projects with the lowest 3 economic benefits). Even under these circumstances, it would be cost effective to continue their participation in the project after the 3 year RHCPP subsidy period. Even if the unexpected happens and several of the hospitals were to withdraw from the network after year 3, there is more than enough critical mass to maintain the network until new participants are located and brought on board.

Over the last 7 years, PMHA / PMHRD has grown from 14 to 20 hospitals. This is in spite of losing 2 hospitals for various reasons. At the moment, 3 other Pennsylvania hospitals are currently expressing interest in joining the group. Based on this, it is reasonable to assume that PMHA and PMHRD will be able to meet their strategic plans to carefully grow the organization over the next 10 years.

With recent developments relating to the American Recovery and Reinvestment Act of 2009, it is clear that we, as a nation, are moving toward an Electronic Health Record (EHR). The PMHRD network will be the primary agent to allow transfer of EHR data to the state wide portal currently under development. This further enhances the sustainability of the network recognizing that it will be an integral part of the state wide data network.

Though at the present time, only one non-eligible participants will be joining the network (the PMHA / PMHRD facilities), provisions have been made to accommodate future entities if need be. Non-eligible locations seeking to connect to the PMHRD network will be required to pay 100% of their fair share, incremental expense to connect and will also contribute a proportional payment towards the operation and sustainability of the network. The PMHRD network will serve only healthcare-related entities to ensure maximum security, efficiency and focus and will therefore allow no non-healthcare uses of the network.

Summary:

With the best information available for us to project the future outcomes of the project, it is clear that the sustainability model for the PMHRD Network is sound and that this network will become a vehicle for the PMHRD hospitals to survive and better yet thrive in the coming years.

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Sustainability Plan Appendix A: Planned Monthly Cost Estimates by Participant

Facility:	RFP #	Current / Proposed Service	Anticipated Monthly Costs During the Pilot Program			Anticipated Monthly Costs After the Pilot Program		
			Total	Pilot Program Support	Net Hospital Cost	Total	USF	Net Hospital Cost
ACMH Hospital	1	10 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Bradford Regional Medical Center	1	6 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Brookville Hospital	1	1xT-1 to 100 Mbps Ethernet	\$2835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Charles Cole Memorial Hospital	1	2xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Clarion Hospital	1	1xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Clearfield Hospital	1	6 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Elk Regional Health Center	1	1xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Indiana Regional Medical Center	1	3 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Laurel Health System	1	6 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Mount Nittany Medical Center	1	10 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Nason Hospital	1	6 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Punxsutawney Area Hospital	1	1xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Titusville Area Hospital	1	4 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Windber Medical Center	1	1xT-1 Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Lewistown Hospital	2	10Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
FHA – Mifflintown	2	DSL to 10 Mbps Ethernet	\$2,300.00	\$1955.00	\$345.00	\$2,300.00	\$1,150.00	\$1,150.00
FHA - Burnham	2	DSL to 10 Mbps Ethernet	\$2,300.00	\$1955.00	\$345.00	\$2,300.00	\$1,150.00	\$1,150.00
FHA – Belleville	2	DSL to 10 Mbps Ethernet	\$2,300.00	\$1955.00	\$345.00	\$2,300.00	\$1,150.00	\$1,150.00
FHA - McAlisterville	2	DSL to 10 Mbps Ethernet	\$2,300.00	\$1955.00	\$345.00	\$2,300.00	\$1,150.00	\$1,150.00
Tyrone Hospital	3	6Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
JC Blair Memorial Hospital	3	10Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Fulton County Medical Center	3	2xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Memorial Hospital of Towanda	3	2xT-1 to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Jersey Shore Hospital	3	10Mbps to 100 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Tiadaghton Health Services	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Jersey Shore Hospital Urgent Care at McElhattan	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00

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Jersey Shore Medical Associates	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Semeyn Family Practice-Brookville	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion AC Valley Medical Center	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Semeyn Family Practice-Fairmount City	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Marianne Family Practice	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Rimersburg Medical Center	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Women's Health Care of Clarion	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00
Health Services of Clarion Surgical Associates	4	DSL to 10 Mbps Ethernet	\$2,835.00	\$2,409.75	\$425.25	\$2,835.00	\$1,405.00	\$1,430.00

PMHRD will request support through the regular USAC RHC funding for all qualifying entities after the completion of the RHCPP. Our estimates are based on an urban/rural difference in service cost of \$1405/hospital as provided by our current service provider in the Pittsburgh market. This page details the anticipated monthly cost **during** the pilot program and **after** the pilot program.

i.e. Fourteen (14) sites receive 100 Mbps Ethernet service at \$2835/month under the Pilot Program. The current cost of 100 Mbps Ethernet service in Pittsburgh is \$1430/month. The difference is \$1405/month. Total Cost Savings through the Regular RHC is projected to be \$1405/month or \$236,040 / year.

Sustainability Plan Appendix B: Detailed Rollup of Monthly Cost Estimates to Annual for Summary

[* The anticipated USF support is equal to the number of months not on in the RHCPP that year X \$1,405.00]

[** The Annual Hospital cost is equal to the difference between the Total Annual Actual Cost for the services less any support provided through the RHCPP or the USF programs. This amount will be invoiced to the hospitals on an agreed upon schedule (typically allocated to a monthly amount) by PMHRD.]

PMHRD will reconcile any discrepancies (rounding related issues, etc...) between the amounts collected and the amounts due to the network supplier on an annual basis with an adjustment on the next monthly invoice of the year.

<DETAIL SPREADSHEET OMITTED FOR QUARTERLY REPORT BUT ON FILE WITH USAC>

Sustainability Plan Appendix C: Current Participant List

Facility:	Service Start Date:	Commitment Term:
Armstrong County Memorial Hospital	May 1, 2009	Min. 10 Year
Bradford Regional Medical Center	May 1, 2009	Min. 10 Year
Brookville Hospital	January 1, 2010	Min. 10 Year
Charles Cole Memorial Hospital	May 1, 2009	Min. 10 Year
Clarion Hospital	August 1, 2009	Min. 10 Year
Clearfield Hospital	September 1, 2009	Min. 10 Year
Elk Regional Health Center	May 1, 2009	Min. 10 Year
Indiana Regional Medical Center	May 1, 2009	Min. 10 Year
Laurel Health System	September 1, 2009	Min. 10 Year
Mount Nittany Medical Center	May 1, 2009	Min. 10 Year
Nason Hospital	August 1, 2009	Min. 10 Year
Punxsutawney Area Hospital	May 1, 2009	Min. 10 Year
Titusville Area Hospital	August 1, 2009	Min. 10 Year
Windber Medical Center	September 1, 2009	Min. 10 Year
NEW PARTICIPANTS:		
Tyrone Hospital	January 1, 2011	Min. 10 Year
Fulton County Medical Center	January 1, 2011	Min. 10 Year
J C Blair Memorial Hospital	January 1, 2011	Min. 10 Year
Memorial Hospital of Towanda	January 1, 2011	Min. 10 Year
Jersey Shore Hospital	January 1, 2011	Min. 10 Year
Lewistown Hospital	January 1, 2011	Min. 10 Year
FHA – Mifflintown	January 1, 2011	Min. 10 Year
FHA – Burnham Site dropped before project start	July 1, 2010	Min. 10 Year
FHA – Belleville	January 1, 2011	Min. 10 Year
FHA – McAlasterville Site Dropped during implementation	January 1, 2011	Min. 10 Year
Tiadaghton Health Services	On Hold	TBD
Jersey Shore Hospital Urgent Care at McElhatten	On Hold	TBD
Jersey Shore Medical Associates	On Hold	TBD
Health Services of Clarion Semeyn Family Practice-Brookville	May 1, 2012	Min 10 Year
Health Services of Clarion AC Valley Medical Center	May 1, 2012	Min 10 Year
Health Services of Clarion Semeyn Family Practice-Fairmount City	May 1, 2012	Min 10 Year
Health Services of Clarion Marianne Family Practice	May 1, 2012	Min 10 Year
Health Services of Clarion Rimersburg Medical Center	May 1, 2012	Min 10 Year
Health Services of Clarion Women's Health Care of Clarion	May 1, 2012	Min 10 Year
Health Services of Clarion Surgical Associates	May 1, 2012	Min 10 Year

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10) Provide detail on how the supported network has advanced telemedicine benefits:

- a) Explain how the supported network has achieved the goals and objectives outlined in selected participant's Pilot Program application;
- b) Explain how the supported network has brought the benefits of innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute;
- c) Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;
- d) Explain how the supported network has allowed health care providers access to government research institutions, and/or academic, public, and private health care institutions that are repositories of medical expertise and information;
- e) Explain how the supported network has allowed health care professional to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and research, and/or enhanced the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.

PMHA hospitals are working to build a relationship with University of Pittsburgh Medical Center (UPMC) to deliver a variety of Tele Medicine services through the network. PMHA and UPMC have filed a joint USDA RUS DLT grant request for funds to support the purchase of 8 clinical telemedicine work stations. This grant was successfully awarded to UPMC in late January. UPMC advised PMHA that their intent was to withdraw from project effective August 2011. We are currently considering a future submission by PMHRD during the next cycle.

11) Provide detail on how the supported network has complied with HHS health IT initiatives:

- a) Explain how the supported network has used health IT systems and products that meet interoperability standards recognized by the HHS Secretary;
- b) Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology;
- c) Explain how the supported network has supported the Nationwide Health Information Network (NHIN) architecture by coordinating activities with organizations performing NHIN trial implementations;
- d) Explain how the supported network has used resources available at HHS's Agency for Healthcare Research and Quality (AHRQ) National Resource Center for Health Information Technology;
- e) Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and
- f) Explain how the supported network has used resources available through HHS's Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

To be determined. The PMHRD network is willing to support statewide and national efforts for joint initiatives. At the state level, we are monitoring the progress of the statewide immunization network (SIIS) and expect to be able utilize our network to facilitate communications to the state near the end of this year.

12) Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular, with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC, and other public health officials

To be determined. (see response to item 11 above)